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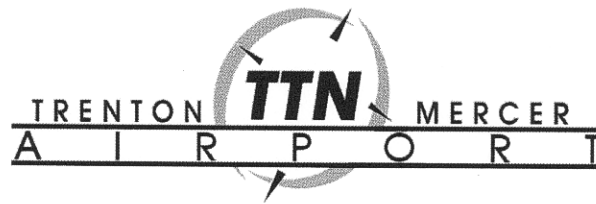
BE IT RESOLVED, that the County Executive and Clerk to the Board be and are hereby authorized to execute said Airline Operating and Lease Agreement with Comair Inc. to provide Commercial Airline Service at the Trenton Mercer Airport for fees in accordance with Ordinance No. 98-11 adopted November 12, 1998 and as maybe be amended from time to time, for an initial period of three (3) years with two (2) additional renewal terms of three (3) years each; and,

BE IT FURTHER RESOLVED, that the Clerk to the Board shall forward one (1) original Operating and Lease Agreement, along with a certified copy of this Resolution, to Ms. Sally McMain, Comair Inc., Cincinnati/Northern Kentucky International Airport, 77 Comair Boulevard., Erlanger, Kentucky 41018 and a copy of each to the Director, Mercer County Department of Transportation and Infrastructure; the Airport Manager and County Counsel.

I hereby certify this to be a true
copy of the original.

Jerlene N. Worthy
Mercer County Board of Freeholders

.....
Clerk to the Board



AIRLINE OPERATING/LEASE AGREEMENT

Comair, Incorporated

And

Trenton-Mercer Airport/County of Mercer

TABLE OF CONTENTS

SECTION 1 USE OF THE AIRPORT

SECTION 2 LEASED PREMISES

SECTION 3 USE OF LEASED PREMISES

SECTION 4 TERM

SECTION 5 RENTAL

SECTION 6 SPECIAL SERVICE FEES AND CHARGES

SECTION 7 SECURITY DEPOSITS

SECTION 8 REPORTS

SECTION 9 TAXES AND ASSESSMENTS

SECTION 10 DEFAULT BY THE COMPANY; RIGHT TO POSSESSION

SECTION 11 IMPROVEMENTS

SECTION 12 STANDARD OF SERVICE

SECTION 13 MAINTENANCE AND OPERATIONS BY AIRPORT

SECTION 14 MAINTENANCE AND OPERATIONS BY COMPANY

SECTION 15 UTILITIES

SECTION 16 REGULATIONS OF AIRPORT

SECTION 17 FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS

SECTION 18 CANCELLATION BY COMPANY

SECTION 19 SALE, ASSIGNMENTS AND SUBLEASE

SECTION 20 INDEMNITY AND LIABILITY INSURANCE

SECTION 21 SURRENDER OF POSSESSION

SECTION 22 DEFINITION OF TERMS

SECTION 23 INSPECTION BY AIRPORT

SECTION 24 WAIVER OF PERFORMANCE

SECTION 25 NOTICES TO THE AIRPORT AND THE COMPANY

SECTION 26 CAPTIONS

SECTION 27 INVALID/OMITTED PROVISIONS

SECTION 28 GOVERNMENTAL FACILITIES

SECTION 29 SUCCESSORS AND ASSIGNS BOUND BY COVENANTS

SECTION 30 NON-DISCRIMINATION CLAUSE

SECTION 31 CONSTRUCTION OF AGREEMENT

SECTION 32 NONINTERFERENCE

SECTION 33 LITIGATION EXPENSES

SECTION 34 INTERPRETATION

SECTION 35 PLACE OF PAYMENTS

SECTION 36 RIGHT TO AMEND

SECTION 37 PROVISIONS OF LAW DEEMED INCLUDED

SECTION 38 EXECUTION OF COUNTERPARTS

SECTION 39 COMPLETE AGREEMENT

SECTION 40 FAA AERONAUTICAL LEASE REQUIREMENTS

THIS lease agreement made and entered into on the 17th day of August, 2006 by and between the Trenton-Mercer Airport/County of Mercer, hereinafter called the "AIRPORT", a body politic and corporate of the State of New Jersey, with its office and principal place of business located at 640 South Broad Street, Trenton, New Jersey, and **Comair, Inc.**, a corporation organized and existing under the laws of the State of Ohio, with a principal place of business located at Cincinnati/Northern Kentucky International Airport, 77 Comair Boulevard, Erlanger, KY 41018, hereinafter referred to as the "COMPANY".

SECTION 1: USE OF THE AIRPORT

A. COMPANY shall be entitled to use, in common with others, the Airport, together with all facilities, improvements and services which have been or may hereafter be provided at or in connection with the Airport for common use in the operation of an air transportation system by aircraft for the carriage of persons, property, freight and mail, and related purposes according to the published schedule (hereinafter referred to as "air transportation"), which use shall be limited to the following:

1. The landing, take off, loading and unloading of aircraft and only such incidental servicing or parking of aircraft as is reasonably necessary to the conduct of air transportation by COMPANY.
2. The purchase of COMPANY'S requirements of gasoline, fuel, lubricating oil, grease, food, and other passenger supplies from suppliers registered to do business at the Airport.
3. The servicing of COMPANY'S ground equipment or suppliers at locations approved by the Airport Manager by truck with gasoline, oil, greases and any other fuel or other supplies required by COMPANY.
4. The training of personnel in the employ of or under the direction of COMPANY, it being understood that such training shall only be an incidental use of the Airport.
5. Use of the Terminal Building, including, without limitation, public passenger walkways, public passenger loading facilities, public lobbies, public lounges, public waiting rooms, public hallways, public restrooms, and other public conveniences, subject to the Airport Certification Manual and the rules and regulations (which may change from time to time) of AIRPORT.
6. The sale, disposal, and exchange of COMPANY'S aircraft, engines, accessories, fuel, oil, lubricants, other equipment, and materials or supplies provided that such items are not otherwise available on the Airport. Such right shall not be construed as authorizing the conduct

of a separate regular business by COMPANY, but as permitting COMPANY to perform only such functions as are incidental to the operation of its air transportation system.

7. COMPANY shall have the right to install personal property, including furniture, furnishings, supplies, machinery and equipment, in the leased premises in which it has the exclusive right to use as COMPANY may deem necessary or prudent in the operation of its air transportation system, with title to such personal property to remain with COMPANY.

8. The sale of tickets, documentation of shipments, handling of reservations, and the loading and unloading of persons, property, cargo, and mail at the Airport by such motor vehicles or other means of conveyance as COMPANY may desire to use in the operation of its air transportation system.

9. The installation, maintenance, and operation of COMPANY ticket counter back wall treatment and identifying signs, posters, and graphics, on COMPANY'S exclusive use space; subject to the prior written approval of AIRPORT, which approval shall not be unreasonably withheld or delayed; provided that such signs shall be (1) substantially uniform in size, type and location with those of other airlines; (2) consistent with AIRPORT'S graphics standards; and (3) in compliance with all local laws and ordinances.

10. The installation, maintenance, and operation of such radio, communication, meteorological, and aerial navigation equipment and facilities at suitable locations on the Airport, including computer equipment at passenger check-in counters in the Terminal Building, as may be necessary or convenient in the opinion of COMPANY for its operations; provided that such equipment and facilities do not interfere with other Airport communication, meteorological, or aerial navigation systems. The location of such equipment and facilities shall be subject to the prior written approval of AIRPORT, which approval shall not be unreasonably withheld or delayed and shall conform to all applicable federal, state, and local requirements.

SECTION 2: LEASED PREMISES

A. AIRPORT leases to COMPANY, for its exclusive use, the following described premises located in the terminal building of the Airport:

39 Sq./Ft. Ticket Counter Area - Sterile Area

184 Sq./Ft. Ticket Counter Area - Non Sterile Area

0 Sq./Ft. Ramp Room Office

258 Sq./Ft. Baggage Make-Up Area

264 Sq./Ft. Baggage Storage Area

0 Sq./Ft. Terminal Office Space

The above exclusive use leased premises are designated in green on Exhibit "A" attached hereto and made part hereof.

B. AIRPORT does hereby additionally lease to COMPANY, for its non-exclusive use, in common with other authorized parties, the following described premises or equipment, including but not limited to, Departure Waiting Area (1,332 sq. ft.) Baggage Claim Area (1,599 sq. ft.), Public Address System, etc., at rates established by Mercer County Rates and Charges Ordinance 98-11, as amended.

The above non-exclusive areas are designated in yellow on Exhibit "A" attached hereto and made part hereof.

C. All of the above premises (exclusive and non-exclusive) shall hereinafter collectively be referred to as the "leased premises". AIRPORT reserves the exclusive right to reduce, increase and/or re-allocate all leased premises assigned to COMPANY in order to maximize space utilization to accommodate commercial airline service and other terminal activities. In the event of any reallocation, increase, or decrease of available space, areas will be assigned to the COMPANY, on file, to first execute this agreement (AOA) with AIRPORT.

To the extent that any improvement made by COMPANY cannot be utilized by COMPANY after reduction and/or re-allocation, AIRPORT shall reimburse COMPANY for the value of such improvements at a depreciated or adjusted value. The value shall be the lower of the fair market value of such improvements or the depreciated fair market value of such as most recently reported to the Internal Revenue Service with appropriate adjustment on the same basis for the subsequent passage of time. No reimbursement will be due for any improvements not specifically approved in writing by AIRPORT, or its designated designee, prior to construction. To the extent COMPANY'S exclusive or non-exclusive areas increase or decrease as the result of a reallocation of the leased premises as authorized pursuant to this paragraph, COMPANY'S rent shall be adjusted accordingly in accordance with the square footage rates then in effect pursuant to the terms of this Agreement.

SECTION 3: USE OF LEASED PREMISES

A. The use by COMPANY of the leased premises shall be limited to the following:

1. The conduct of operations and activities reasonably necessary or convenient to the conduct by COMPANY of air transportation; provided, however, that all such operations and activities shall be subject to non-discrimination rules as established by the Federal Aviation Administration.

2. The installation of identifying company signs, provided that the general type, location, design and number of such signs shall be subject to the review and prior written approval of the Airport Manager or his/her authorized designee, which approval shall not be unreasonably withheld or delayed.

B. The foregoing shall not permit the use of COMPANY'S leased premises for the sale of air travel insurance or merchandising operations, or the conduct of any business separate from the COMPANY'S operation of air transportation as defined herein.

C. COMPANY agrees to advise AIRPORT of all flight schedules and to prepare all flight

schedules taking into consideration the facility/capacity constraints of the AIRPORT. COMPANY understands and agrees that all changes in scheduled and unscheduled service to Airport must be requested, in writing, at least fourteen (14) calendar days in advance, and must be approved by AIRPORT prior to instituting the service. It is further understood by COMPANY that AIRPORT may deny the change or addition of service due to facility constraints, scheduling conflicts or other reasons reasonably determined by AIRPORT, which reasons shall be uniformly applied to all other airlines requesting similar changes or additions to its services. This is not intended as an access restriction but a means of coping with limited space availability in the terminal facility.

D. COMPANY further agrees to cooperate and work in good faith with other airlines and companies located at the Airport in connection with flight scheduling, taking into consideration the capacity of the Airport, including all common areas and terminal facilities. COMPANY acknowledges that the AIRPORT/Airport Manager shall have final authority to adjudicate flight scheduling conflicts and other disputes as they may arise.

SECTION 4: TERM

A. Except as otherwise provided herein, this Agreement and all rights herein granted COMPANY shall become operative and effective on _____ 1, 20__ and shall continue for a period of three (3) years unless terminated by either party upon one-hundred-eighty (180) days written notice or as otherwise provided herein. The AIRPORT and COMPANY may jointly extend the term of this Agreement for two (2) additional three (3) year terms if COMPANY notifies AIRPORT in writing of its intention to extend the Agreement at least one hundred eighty (180) days in advance of the expiration of the term of the original Agreement or any properly executed option. Any Agreement extension must be accepted and approved in writing by AIRPORT, within thirty (30) days after receipt of said request. If the AIRPORT does not respond within said thirty-day time period, then it is expressly assumed that AIRPORT has agreed to the requested extension. It is expressly understood by both COMPANY and AIRPORT that options must be mutually acknowledged and agreed upon for any extension to take affect.

SECTION 5: RENTAL

A. Conditions and Payment

1. The "fixed rental" as defined in Section 5, Paragraph B of this Agreement shall be paid in twelve (12) equal installments and shall be due and owing and paid in full in advance on or before the first (1st) day of each month during the term of this Agreement. It is expressly understood between the parties that AIRPORT is under no obligation to provide written notice to COMPANY for the "fixed" rental payment which may be due or owing. Notwithstanding the foregoing, AIRPORT will state the next month's fixed rental on each invoice issued to COMPANY under Paragraph 2 below.

2. The "variable rental" as defined in Section 5, Paragraph C of this Agreement shall be due and owing and paid in full on or before the last day of each month in which they are

invoiced. On or before the twentieth (20th) day of each month, AIRPORT will provide COMPANY with an invoice indicating the total rental due under this paragraph. If COMPANY does not submit report as required in Section 8 of this Agreement, AIRPORT shall invoice COMPANY at a rate of one hundred and twenty five (125%) percent the previous month's variable rental rate. In the event of failure to file reports as required, reconciliation of variable rental will take place in the month following receipt of COMPANY's invoice.

3. Anything in this lease agreement to the contrary notwithstanding, COMPANY shall pay a "late charge", on any and all outstanding balances, of eighteen percent (18%) compounded yearly of any installment of rental when paid more than five (5) days after the due date thereof, including Saturdays, Sundays and Holidays, beginning with the sixth (6th) day after payment is due.

4. In the event payment is timely paid by check and the check is returned for insufficient funds, COMPANY shall pay to AIRPORT an additional charge of five (5) percent of the total monthly rental payment.

5. Non payment of any rental payment due under this Agreement, or delay in the payment of any such payments beyond a period of thirty (30) days after the date when payment is due shall be deemed as a major breach of this Agreement and shall be grounds for immediate termination of this Agreement by AIRPORT without requirement of written notice to COMPANY, any other provision of this Agreement to the contrary notwithstanding.

6. Fixed and Variable rental rates and fees are set forth and established in Exhibit "B" attached hereto and made part of this Agreement. It is expressly understood by COMPANY that fixed rental and variable rental rates are subject to be amended by County Ordinance. Current rates and fees established by Mercer County Ordinance 98-11, adopted November 12, 1998.

B. Fixed Rental

1. Fixed monthly rental shall include the rental of the exclusive and non-exclusive use leased premises of which the rents are established annually. Rental rates and fees for use of these "fixed" rental areas/systems are calculated by utilizing the following formulas:

- a. Terminal Ticket Counter Sterile Area - $(\text{Total sq./ft} \times \text{established rate})$
- b. Terminal Ticket Counter Non Sterile Area - $(\text{Total sq./ft.} \times \text{established rate})$
- c. Ramp Room Office Space - $(\text{Total sq./ft.} \times \text{established rate})$
- d. Temporary Office Space (Airline Supplied) - $(\text{Total sq./ft.} \times \text{established rate})$
- e. Terminal Operations/Baggage Makeup Space - $(\text{Total sq./ft.} \times \text{established rate})$
- f. Terminal Public Address System - $(\text{Total months} \times \text{established rate})$
- g. Terminal Storage Area $(\text{Total sq./ft.} \times \text{established rate})$

h. Any and all other charges that may be established by Mercer County Ordinance

2. If COMPANY'S leased premises are increased, reduced and/or re-allocated as described in Section 2, Paragraph C of this Agreement, there shall be a corresponding reduction and/or increase in fixed rental based on the type of leased premises involved in the transaction and the applicable rental charge.

C. Variable Rental

1. The monthly variable rental for the following will be calculated on a per use basis as follows:

a. Passenger Holdroom Charge - Total monthly enplaned passengers by COMPANY multiplied by the established rate.

b. Baggage Claim Charge- Total number of monthly deplanements by COMPANY multiplied by the established rate.

c. Jetbridge Use Charge -Total number of monthly uses by COMPANY multiplied by established rate.

d. Electrical Use Charge - Total kilowatt-hours x established rate.

e. JetBridge Electrical Connection Charge - Total hours multiplied by the established rate.

f. Baggage Carousel Charge - Total number of monthly uses by COMPANY multiplied by the established rate.

g. Landing Fees - Total number of scheduled or unscheduled monthly aircraft arrivals by COMPANY multiplied by the established rate.

h. Aircraft Parking Charges - Overnight, disabled or inoperative aircraft parking by COMPANY on apron as defined in Section 6, Paragraph A of this Agreement at established rate.

i. Fuel Flowage Fees - Total monthly gallons of airplane fuel delivered to COMPANY at Airport multiplied by the established rate.

j. Marketing and Advertising Display Fees - Total square feet of advertising on terminal facilities multiplied by the established rate (per annum).

k. Non-Routine Apron and Ramp Cleaning - as defined in Section 6, Paragraph B at established rate.

l. Aircraft, Vehicle or Equipment Moving Fees - as defined in Section 6, Paragraph C of this Agreement at established rate.

m. Automobile Parking Fees Total number of parking spaces multiplied by the

established rate.

n. Ground Support Equipment - Total amount of uses of any piece of County owned and maintained ground support equipment multiplied by the established rate.

o. Ground Support Equipment/Terminal Ramp Equipment Staging - Total square feet of terminal ramp space multiplied by the established rate.

p. Badge Fees (Includes new and replacement)

q. Any and all other charges that may be established by Mercer County Ordinance.

D. Fuel Flowage Fee

1. It is understood by COMPANY that AIRPORT imposes a fuel flowage fee on all jet fuel and aviation gasoline delivered to the airport. This fuel flowage fee on jet fuel and aviation gasoline shall apply to COMPANY at the rate as stipulated in Exhibit "B" attached hereto and made part hereof. The fuel flowage fee is subject to change by Ordinance pursuant to the provisions of Section 5, Paragraph G of this Agreement. The fuel flowage fees shall be calculated by multiplying the number of gallons of jet fuel and aviation gasoline by the established fuel flowage fee stipulated in Exhibit "B".

2. With the approval of the AIRPORT, COMPANY may arrange for payment of fuel flowage fees through AIRPORT'S approved fuel vendor in lieu of direct payment to AIRPORT. Notwithstanding the foregoing, COMPANY understands that it is solely responsible to AIRPORT for payment of the fuel flowage fees should the third party fail to timely remit such payment.

E. Landing Fees

1. COMPANY shall pay a monthly charge for each scheduled aircraft arrival at the airport as shown by COMPANY'S published schedules in effect on the first (1st) business day of each month, or for each actual aircraft arrival at the Airport as shown in the COMPANY'S monthly reports required in Section 8 of this Agreement, whichever is greater. This per aircraft landing fee will be calculated by multiplying the aircraft's certified maximum gross landing weight by the AIRPORT'S established landing fee rate. The total landing fee per aircraft shall not be less than \$25.00 per aircraft landing.

F. Advertising and Marketing Fees

1. COMPANY shall pay a monthly variable charge for all advertising and marketing displays in or on any surface in the terminal facility. This fee shall include all COMPANY emblems on any surface visible to the public. This provision notwithstanding, COMPANY will be authorized to place one (1) company supplied sign above the ticket counter. This sign must comply with other restrictions included in this paragraph. Additional charges will apply for lighted or electrically powered signage. The fee will be calculated by multiplying the total square footage of signage on or in the AIRPORT's facilities times the established rate as indicated in

Exhibit "B". All signage must be requested and approved in writing prior to the advertising being affixed.

G. AIRPORT will provide automobile parking spaces for employees of COMPANY in the long-term parking lot adjacent to the terminal building. The number of spaces provided, which may change from time to time, will be reasonably determined by AIRPORT by taking into consideration COMPANY'S requirements and AIRPORT's capacity. AIRPORT will charge a monthly parking fee to all air carrier employees, which is established at least annually as part of its rates, and charges policy, which may be reviewed and modified from time to time, for all spaces allocated to COMPANY. Notwithstanding the foregoing to the contrary, AIRPORT agrees that any decrease in COMPANY'S parking resulting from AIRPORT'S capacity, or an increase in the monthly parking fees being assessed to COMPANY and its employees, shall be uniformly applied to all airlines and their employees at the Airport. No COMPANY employee parking will be allowed in the short term parking areas. Any COMPANY employees found parking in short term parking areas will be towed at COMPANY'S sole expense.

H. Rental and Renegotiation

1. The current rental rates and fees for items enumerated in Section 5 of this Agreement and specified in Exhibit "B" do not include any additional capital expenditures required by COMPANY for operation of air transportation from the Airport. These additional costs will be covered under a separate agreement.

2. AIRPORT reserves the right at any time to re-evaluate all fixed and/or variable rental rates enumerated in Section 5 of this Agreement and specified in Exhibit "B" at the end of each calendar year or when appropriately required. In the event an increase in rates is being considered, AIRPORT agrees to meet with all air carriers which have executed this Agreement to explain the incorporated rate making methodologies prior to implementation of any modification to the airport's rates and charges policy. AIRPORT also agrees that rates and charges methodologies will be consistent with applicable FAA standards and policies.

3. AIRPORT and COMPANY agree that rates and charges have been established and may be amended by Ordinance as duly enacted by the Mercer County Executive and the Mercer County Board of Chosen Freeholders. Notwithstanding the terms of this or any prior Agreement, all rates and charges established in this Agreement shall be subject to change upon the enactment of any such Ordinance. Any changes in rates and charges will take effect upon the effective date of any said Ordinances.

4. COMPANY agrees and understands that the Rates and Charges policy will be modified following completion of the terminal reconfiguration construction which will increase passenger holdroom and improve passenger efficiency in the lower level of the existing terminal facility. It is also understood by COMPANY that the Rates and Charges policy will be reevaluated following completion of the new Terminal Facility Project.

SECTION 6: SPECIAL SERVICE FEES AND CHARGES

A. In the event COMPANY'S aircraft is parked overnight or becomes disabled or inoperative

upon the aircraft parking apron, AIRPORT shall impose the established overnight parking fees (see Exhibit "B") for any parking in excess of four (4) consecutive hours (delays included). It is expressly understood that any such parking shall be for emergency purposes only. Any non-emergency repairs or maintenance of aircraft on the terminal parking apron is expressly prohibited without the prior written permission of the Airport Manager.

B. AIRPORT shall impose compensatory service charges for non-routine apron and ramp cleaning and other special services requested or made necessary by the conduct of COMPANY. The number of spaces provided, which may change from time to time, will be determined by taking into consideration COMPANY'S requirements and AIRPORT'S capacity.

C. The cost of moving COMPANY'S aircraft, vehicles, equipment or other actions taken by AIRPORT to effectuate an order of the Airport Manager shall be charged to the COMPANY by AIRPORT in accordance with Section 6, Paragraph B of this Agreement.

D. COMPANY understands and agrees that it will be fully responsible for any and all overtime required for AIRPORT personnel (Administration, Operations, Sheriff, Maintenance, Janitorial, etc.) in the event that COMPANY's operations (scheduled or unscheduled) occur outside of normal operating hours, which are currently 6:00 am to 10:00 pm, and may change from time to time. It is expressly understood by COMPANY that AIRPORT reserves the right to have Operations personnel, a Sheriff's Officer and a Janitor present during all air carrier operations at the terminal facility.

E. COMPANY agrees that all Passenger Facility Charges (PFC's), immediately upon collection, shall be automatically the sole property of AIRPORT. COMPANY agrees and understands that it is responsible to collect and submit, by separate check, all PFC's to the AIRPORT within the month, but no later than the last day of the month following collection. COMPANY also agrees to maintain all PFC's in a separate and segregated account at all times.

F. COMPANY understands that AIRPORT does not currently supply any ground transportation services for passengers. If AIRPORT or COMPANY subsequently enters into an agreement to provide said services, details will be included in a separate agreement, which will not affect any provision contained herein.

G. COMPANY agrees and understands that the Transportation Security Administration (TSA) requires the satisfactory completion of all measure outlined in TSAR 1542. A background investigation and fingerprinting may be required to be satisfactorily completed on employees requiring Security Identification Display Area (SIDA) access. The COMPANY is responsible for any and all costs associated to complete required background investigations necessary to acquire SIDA access. Associated fees may be amended from time to time. The procedures required by the TSA, for security purposes may also be amended from time to time.

H. COMPANY understands that they must comply with any and all provisions of TSA regulations, Security Directives or guidance, and the Airport Security Program policies. Company shall be responsible for any and all costs associated with compliance. Any security measures that are not maintained to the satisfaction of the airport manager may be cause for

operational restrictions and/or implementation of measures by the airport, of which damages and/or expenses will be reimbursed by company. Company understands that the issuance of SIDA badges may be required for employment. Any and all costs associated with SIDA badge issuance and replacement will be the responsibility of the company.

SECTION 7: SECURITY DEPOSIT

A. COMPANY shall provide to AIRPORT a corporate surety/performance bond issued by a company authorized to do business in the State of New Jersey, payable to County of Mercer, 640 South Broad Street, P.O. Box 8068, Trenton, New Jersey 08650-0068 in the sum of fifty-thousand dollars (\$50,000) to be held as collateral security for the payment of other sums of money payable by COMPANY under this Agreement, and for the faithful performance of all other covenants and agreements of COMPANY hereunder. In the event of COMPANY'S default of any term of this Agreement, AIRPORT may allow part of said bond, at AIRPORT'S sole discretion, be applied on account of such default, and thereafter COMPANY shall promptly restore the resulting deficiency in such deposit. The surety bond will only be returned following proper termination as stipulated in this Agreement, and following a final audit of COMPANY's rental status indicating either a zero or credit balance.

B. In lieu of the corporate surety bond required in Section 7, Paragraph A, as stipulated above, COMPANY and AIRPORT may mutually agree upon a substitute form of security.

SECTION 8: REPORTS

A. COMPANY shall report to AIRPORT not later than the fifth (5th) day of each month, COMPANY'S scheduled and actual trip arrivals and departures at the Airport for the previous calendar month. The number of arrivals multiplied by the applicable approved maximum gross landing weight for each type of aircraft shall determine the weight for which the landing fee payment shall be made as required in Section 5, Paragraph E of this Agreement. The term "approved maximum gross landing weight" for any aircraft as used in this Agreement, shall be maximum gross landing weight approved by the Federal Aviation Administration for landing such aircraft at the Airport.

B. The monthly report shall also include the number of total passengers enplaned and deplaned during the preceding month to be used in calculating COMPANY'S variable rental payment as provided in Sections 5, Paragraphs B and C of this Agreement. The number of enplaned and deplaned passengers multiplied by the applicable terminal fee (as stipulated in Exhibit "B" attached hereto and made part hereof) will determine the variable fee owed by COMPANY on a monthly basis.

C. The monthly report shall also include the number of gallons of either jet fuel or aviation gasoline delivered to the Airport for use by the COMPANY during the preceding month. This total number of gallons delivered shall be multiplied by the applicable fuel flowage fee (as stipulated in Exhibit "B" attached hereto and made part hereof) to determine the total monthly fuel flowage fee owed by COMPANY on a monthly basis.

D. The monthly report shall also include general information on the total number of passengers,

load factors, pounds of freight and mail handled through the airport or other such information as included in Section 5 of this Agreement or as requested by the Airport Manager to complete periodic reports. This may include load factor information, origin and destination passenger data or other information as requested from time to time.

E. COMPANY shall maintain accurate and complete books and records in accordance with generally accepted accounting principles. Such books and records shall be retained throughout the term of this Agreement, including the initial term and any renewal terms, and for a period of one (1) years thereafter, and shall be available for audit and inspection by duly designated representatives of AIRPORT at reasonable times and intervals during ordinary business hours throughout the terms of this Agreement, including the initial term and any renewal term, and for a period of one (1) years after the expiration thereof.

SECTION 9: TAXES AND ASSESSMENTS

A. COMPANY shall be responsible for paying all property, real estate, personal taxes, tangible or intangible taxes, and assessments which may be lawfully levied by a duly constituted taxing body upon COMPANY with respect to its operations upon the leased premises.

B. COMPANY shall be solely responsible for payment of all fines, penalties, administrative actions, or other monetary fees levied upon COMPANY borne as a result of actions or operations by COMPANY.

C. COMPANY agrees to collect, and properly distribute all revenues to AIRPORT including monies collected in accordance with an FAA approved Passenger Facility Charge (PFC).

SECTION 10: DEFAULT BY THE COMPANY; RIGHT TO POSSESSION

A. AIRPORT shall have the right to terminate this lease in whole or part upon the occurrence of any of the following events:

1. Failure on the part of COMPANY to timely pay rent and/or fees as required in Sections 5 and 6 of this Agreement. Rent and/or fee payments are not deemed paid unless received and "stamped in" by the Airport Manager's Office or other evidence of receipt produced which is located at the following address:

Airport Manager
1100 Terminal Circle Drive
Suite 301
West Trenton, NJ 08628

2. In the event COMPANY, at any time during the term of this Agreement, suffers or permits an involuntary or voluntary petition in bankruptcy to be filed against it, or should COMPANY by order or decree of a court be adjudged bankrupt or by any order be made approving a petition filed by any of its creditors or stockholders, institute any proceedings seeking composition, arrangement, reorganization or readjustment of COMPANY'S indebtedness under the Federal Bankruptcy Laws or any other laws or statute of the United

States of America or any state thereof, or make any assignments, or should a receiver or trustee or liquidator be appointed for COMPANY'S property because of COMPANY'S insolvency, and the said appointment not be vacated within thirty (30) days thereafter, or should COMPANY'S leasehold interest be levied and the lien thereof not discharged within thirty (30) days after said levy has been made, or should COMPANY fail promptly to make the necessary returns and reports required of it by the State or Federal Law, or should COMPANY fail promptly to comply with all governmental regulations, both State and Federal, and should such failure in any manner jeopardize the rights of AIRPORT or Lessor, then, and in such event, and upon the happening of either or any of such events, AIRPORT shall have the right, at its election, to consider the same a default on the part of COMPANY of the terms and provisions hereof, and, in the event of such default not being cured by COMPANY within a period of fifteen (15) days from the date of the giving by AIRPORT of written notice to COMPANY of the existence of such default, AIRPORT shall have the option of declaring this Agreement terminated, and the interest of COMPANY forfeited, or AIRPORT may exercise any other options herein conferred upon it, provided, however, that AIRPORT may grant a reasonable extension of any of the above time periods upon showing that such extension of time will not jeopardize any rights of AIRPORT, in which case such an extension of time will not be unreasonably refused.

a. The parties acknowledge that Comair (COMPANY) is a debtor and debtor-in-possession under Chapter 11 of the United States Bankruptcy Code in a case filed in the United States Bankruptcy Court for the Southern District of New York, Chapter 11 Case No. 05-17923 (ASH) (the "Case"). AIRPORT acknowledges and agrees that the commencement and pendency of the "Case" does not constitute an event of default under Section 10 of this Agreement.

3. The failure of COMPANY to perform, keep or observe any of the terms, covenants, and conditions which it is obligated to perform, or keep or observe under this Agreement after the expiration of any period of warning or ultimatum given by AIRPORT to COMPANY to correct any deficiency or default. This includes but is not limited to COMPANY'S tax obligations as established in Section 9, Paragraph A of this Agreement.

4. The abandonment by COMPANY of the leased premises or discontinuance in whole or in part of the air transportation operation upon the leased premises. An adjustment in schedules for seasonal or passenger demand shall not constitute discontinuance.

5. The failure of COMPANY to abide by the terms of any Federal, State, County or local law or regulations governing its business or operation under this lease; rules and regulations established by the Airport Manager or his/her designee (which may change from time to time); or a direct order of the Airport Manager concerning the movement or parking of aircraft or vehicles anywhere on the airport or the relative rights, obligation or rules of COMPANY.

6. Failure by COMPANY to timely submit to AIRPORT the monthly report as required in Section 8 of this Agreement.

7. Any lien is filed against the leased premises or any part thereof because of any act or omission of COMPANY and is not removed or secured by bond or otherwise, within forty-five

(45) days after COMPANY has received notice thereof.

B. In the event of default as provided in Section 10, Paragraph A, Numbers 2 through 7 above, except for a failure to abide by a direct order of the Airport Manager or his/her designee concerning the movement or parking of aircraft or vehicles, AIRPORT shall give COMPANY written notice specifying with particularity the nature of the default or other ground for termination. COMPANY shall have fifteen (15) days from the receipt of said notice to correct any default. The failure of the COMPANY to correct the default within fifteen (15) days shall result in absolute termination. Failure to pay rents or fees as specified in Sections 5 and 6 of this Agreement thirty (30) days following the day of the month on which the rents and/or fees are due and payable shall result in absolute termination without requirement of written notice. Upon a failure of COMPANY to abide by any direct order of the Airport Manager concerning the movement or parking of aircraft or vehicles anywhere on the Airport, AIRPORT shall have the authority to move, or have moved, at COMPANY'S sole expense, any aircraft or vehicles impeding the safe, orderly, and efficient use and control of the airport and to take all other necessary actions COMPANY has not taken, at COMPANY'S sole expense, which are necessary to effectuate the order or orders not complied with. COMPANY agrees to pay all such expenses within ten (10) days after being billed for same. Failure to pay such expenses within said time period shall be deemed a major default of this Agreement and shall be ground for termination of this Agreement.

C. In the event of default and termination of this Agreement, AIRPORT shall have the right to enter into and upon the leased premises or any part thereof, and repossess the same, and expel COMPANY and those claiming by, through or under it, and remove its effects forcibly if necessary, without being deemed guilty of trespass and without prejudice to any remedy which might be used for arrears of rent or proceedings for breach of covenant; in the event of such repossession, this Agreement shall terminate. In the event AIRPORT is obligated to participate in any court proceedings in order to enforce any of its rights under this Agreement or to collect its rentals, fees, and charges, AIRPORT, if successful in pursuing such litigation, shall be entitled to an additional amount in such sum as any court having competent jurisdiction shall determine, including reasonable attorney's fees and appellate proceedings.

D. No waiver of default by AIRPORT or any of the terms, covenants, or conditions hereof to be performed, kept and observed shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by COMPANY and no such waiver or default shall be deemed a waiver of any right on the part of AIRPORT to cancel this lease for failure by COMPANY to perform, keep, or observe any of the terms, covenants, or conditions of this Agreement.

E. No acceptance by AIRPORT of rental, fees, charges, or other payments in whole or in part for any period or periods after default of any of the terms, conditions or covenants hereof to be performed, kept or observed by COMPANY shall be deemed a waiver of any right on the part of AIRPORT to terminate this Agreement.

F. The rights of declaration of default described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that

AIRPORT would have at law or in equity consequent upon any breach of this Agreement by COMPANY and the exercise by AIRPORT of any other right of termination shall be without prejudice to any other such rights and remedy.

SECTION 11: IMPROVEMENTS

A. It is agreed that title to all fixed improvements presently located upon the lease premises belong to and are the property of AIRPORT.

B. COMPANY agrees that any and all desired changes to the leased premises or any part thereof shall be made at COMPANY'S sole expense and only upon prior written approval of the Airport Manager. Any changes to the leased premises shall immediately become property of AIRPORT, and are not subject to removal by COMPANY. COMPANY will construct to correspond as nearly as possible with the fittings and trimmings of the terminal building of AIRPORT, and in such a manner as not to deface or injure the same.

C. COMPANY shall not install any fixture, attach any sign, or make any modification or complete any improvement without first having secured the prior written approval of the Airport Manager as to both place and installation and design of the improvement, modification or fixture. The title to such fixtures shall remain in COMPANY, however, free from any claim of lien to AIRPORT, and upon the expiration of this Agreement said fixture may be removed by COMPANY, provided that if said fixtures are not removed within ten (10) days from the expiration of this Agreement or is terminated for any other reason, COMPANY shall be deemed terminated for any other reason, COMPANY shall be deemed to have abandoned the property not removed from the premises within the aforesaid period at the termination of this Agreement.

SECTION 12: STANDARD OF SERVICE

A. It is expressly understood and agreed as a condition of this Agreement that COMPANY shall conduct a first-class air transportation service adequate at all times to meet the reasonable demands for such service at the Airport. COMPANY agrees to conduct said business in a proper and courteous manner, to furnish good, prompt, and efficient services at all times and to provide at a minimum and at all times during the term of this Agreement the services as required under this Agreement. COMPANY'S management and operations of the services required to be performed under this Agreement shall consist of, but not limited to, the following:

1. Passenger ticketing and baggage handling.
2. Reservation and booking service available, at a minimum, during normal business hours.
3. Customer's complaint and lost and found service.
4. Aircraft Ground Support service.
5. Deicing and aircraft cleaning service.
6. Curbside check-in service (optional).

7. Freight Handling service (optional).

COMPANY understands and agrees that all assigned personnel shall be:

1. Professionally uniformed, easily identifiable employees;

2. A COMPANY representative shall be available upon the leased premises at least eight continuous hours a day and during all hours of scheduled and/or unscheduled air carrier/terminal operations. If Station Manager is inaccessible, COMPANY shall notify AIRPORT of Interim Designee.

3. COMPANY agrees to provide AIRPORT with a listing of emergency contacts, which includes business phone, home phone, pager and/or cellular phone numbers.

C. COMPANY agrees and understands that it is required to appoint, and continually employ, a professional Station Manager at the Trenton-Mercer Airport. At times, when the Station Manager is unavailable, COMPANY shall provide AIRPORT with contact numbers for a responsible individual who will be available and reachable during all scheduled and non-scheduled airline operations and readily accessible twenty-four (24) hours per day, 365 days per year.

D. In the event that COMPANY fails to perform its duties in accordance with this Agreement and to the reasonable satisfaction of AIRPORT, then AIRPORT shall so inform COMPANY in writing describing the particulars of the unsatisfactory performance and giving COMPANY a ten (10) day warranty period within which to correct the conditions to the satisfaction of AIRPORT. If COMPANY fails to comply within thirty (30) days of the written notice, the COMPANY will be in breach of this Agreement.

E. COMPANY understands that it will be fully responsible for completing required FAA background checks of all employees in accordance with all applicable regulations. COMPANY agrees to supply AIRPORT with appropriate certifications that all employees have been properly screened prior to commencing employment. COMPANY understands that employees who do not successfully pass this employment criteria shall not be authorized to enter any portion of the SIDA area.

SECTION 13: MAINTENANCE AND OPERATIONS BY AIRPORT

A. Except as otherwise specifically provided herein, AIRPORT during the term of this Agreement shall operate, maintain and keep in good repair the Airport, terminal building, vehicular parking areas, all appurtenance, facilities and services now or hereafter connected with the foregoing, including, without limiting the generality hereof, all field lighting and other appurtenances, facilities, and services which the AIRPORT has agreed to furnish and supply hereunder. However, AIRPORT shall not be required to perform maintenance and make repairs occasioned by the negligence of COMPANY or its employees, agents, servants or subcontractors, in which case AIRPORT may perform such maintenance and repairs and charge the reasonable cost of same to COMPANY. AIRPORT hereby reserves the right to abandon certain facilities, which are no longer reasonably justified for proper and adequate operation of the airport. AIRPORT shall keep the Airport free of obstructions, including the clearing and

removal of grass, stones, snow, or other foreign matter as reasonably necessary and with reasonable promptness, from the runway, taxiway and loading areas, and immediately adjacent to such runways, taxiways and loading areas for the safe, convenient and proper use of the airport, and shall maintain and operate the airport in all respects in a manner at least equal to the highest standards and ratings issued by the Federal Aviation Administration, for airports of substantially similar size and character in accordance with all rules and regulations of the Federal Aviation Administration and any other governmental agency having jurisdiction thereof, providing that nothing herein contained shall be deemed to require AIRPORT to enlarge the Airport or make extensions or additions to the landing area, runway, taxiway, or other appurtenances of the Airport.

B. It is expressly understood that AIRPORT will keep the public space (non exclusive area) in the terminal building adequately furnished, and will provide and supply adequate water for the public space and COMPANY'S office and baggage make-up area in the terminal building; heat during cold weather and cooling during warm weather sufficient to keep the building at a reasonable temperature; janitors, and other cleaners necessary to keep the Airport and said space in the terminal building clean, neat, orderly, sanitary and presentable, such personnel as may be necessary to facilitate the use of the Airport and terminal building and the appurtenances, facilities and services as aforesaid by anyone hereunder entitled to use the same. AIRPORT at its expense will provide lights and electricity for public space in the terminal building.

SECTION 14: MAINTENANCE AND OPERATIONS BY COMPANY

A. COMPANY hereby accepts the leased premises in the condition they are in at the beginning of this Agreement, and agrees to maintain said premises in the same condition, order and repair as they are at the commencement of said term, hereof, excepting only reasonable wear and tear arising from the use thereof under this Agreement, and shall neither take nor permit any action to be taken which creates a fire hazard within these premises, and to compensate AIRPORT immediately upon demand for any damage to said premises caused by any act of neglect of COMPANY or of any person or persons in the employ or under the control of COMPANY.

B. COMPANY agrees to maintain an adequate number of covered metal waste containers at suitable locations, and shall deposit all trash and waste therein for proper disposition of such waste materials.

C. COMPANY shall provide and pay for a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, lavatory waste, and other refuse caused as a result of the operation of COMPANY'S activities. The location of the covered dumpster will be determined by AIRPORT. Piling of boxes, cartons, barrels, or other similar items, in an unsightly or unsafe manner, on or about the leased premises is not permitted.

D. COMPANY agrees to provide at its sole expense, containment, removal and cleanup costs associated with any COMPANY Hazardous Material (HAZMAT) and Bio-Hazardous Material (BIO-HAZMAT) spill, leak or incident in compliance with all applicable Federal, County and local laws, rules and regulations.

E. COMPANY is responsible for the removal of snow, debris and , foreign objects (FOD), or other substances from COMPANY'S aircraft, or the area within a 100 foot radius thereof, while parked on AIRPORT property. Notwithstanding the foregoing, AIRPORT shall remain responsible under Section 13 hereof for the maintenance of areas while COMPANY'S aircraft are not present thereon as referenced herein.

F. COMPANY is fully responsible for layout, design, installation and removal of any/all aircraft parking markings and/or position markings on the terminal aircraft parking apron.

SECTION 15: UTILITIES

A. Except as otherwise stipulated, AIRPORT agrees to pay for electricity and water consumed in the terminal office, ticket counter, baggage make-up, baggage claim, and other areas within the formal terminal facility.

B. COMPANY agrees to be fully responsible for any alterations, installation, construction, modification and connection of all utilities (including electrical, plumbing, sewer, HVAC, etc) inside the terminal facility as they relate to COMPANY improvements as further outlined in SECTION 11.

C. All fees and charges for utility installation, construction, connection, modifications and usage associated with Mobile Trailers in proximity to the terminal or on the aircraft parking apron are the sole responsibility of the COMPANY.

D. COMPANY agrees to be solely responsible for paying all telephone and data transmission installation and ongoing fees and charges for equipment used in connection with their conduct of business in COMPANY'S exclusive areas in the terminal facility. COMPANY also agrees to pay for any and all utility fees, which are not normally operated as an electrical device at a similar sized terminal facility at another location.

E. COMPANY also agrees to pay all utilities installation and ongoing charges for telephone and data transmission lines, electricity and other incidental charges within any temporary trailer space (for whatever use).

F. JetBridge electrical connection charge or any aircraft power unit usage for aircraft power shall be metered separately. If COMPANY utilizes JetBridge for aircraft power (e.g. overnight use), a reasonable rate (see Exhibit "B" attached hereto and made part hereof) will be charged on a per hour use. In addition, all electrical usage for any COMPANY facilities outside of the formal Terminal Building will be the sole responsibility of COMPANY and may be billed by AIRPORT on a monthly basis.

G. Replacement bulbs for the lighting fixtures located in COMPANY'S Exclusive Use Areas (fixed rental) are the responsibility of COMPANY.

H. The installation/addition of any and all devices utilizing electrical power must be approved, in writing by the Airport Manager, prior to installing or energizing.

SECTION 16: REGULATIONS OF AIRPORT

A. The possession and use of the leased premises by COMPANY and the right herein conferred upon COMPANY shall be subject to the nondiscriminatory rules and regulations rationally related to AIRPORT'S interest as are, or may hereafter be, prescribed by AIRPORT through the lawful exercise of its powers. All the terms, conditions, and covenants of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

B. It is expressly understood and agreed that the rules and regulations of COMPANY are minimum rules and regulations and wherever this Agreement imposes standards, conditions, or provisions, which are stricter than said rules and regulations, the provisions of this Agreement shall control.

C. It is also expressly understood that COMPANY must provide AIRPORT with at least fourteen (14) calendar days prior notice of published/unpublished schedule changes. COMPANY agrees that AIRPORT retains the right to control/allocate use of all gates at all times. Gate assignments will be scheduled and/or assigned by the Airport Manager or his/her designee.

D. The Airport Manager has been duly assigned, on behalf of AIRPORT, with the duty of determining tenant compliance with certain Federal, State, County, local and airport rules and regulations. COMPANY expressly agrees to comply with any and all reasonable orders bestowed on COMPANY by Airport Manager or his/her designee. Intentional disobedience of a direct order, if not remedied or challenged in writing within 24 hours, may result in immediate default as stipulated in Section 10 of this Agreement.

SECTION 17: FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS

A. COMPANY shall comply with all applicable Federal, State, and local laws, County and local ordinances, rules and regulations now and hereafter in force, which may be applicable to the operation of its business at the Airport, and as, may be amended from time to time.

B. COMPANY agrees to abide by all FAA, State and Local decisions to limit aircraft operations until the proper environmental prerequisites have been completed. COMPANY further agrees to comply with any and all environmental restrictions imposed by any federal, state or local agency. This is not intended as an access restriction but a means of coping with environmental regulations and limited space availability in the terminal facility.

C. COMPANY understands it must comply with all applicable Federal Aviation Regulations including, but not limited to, FAR Parts 36, 77, 91, 121, 135 and 139 and Transportation Security Administration Regulations 1520, 1542, and 1544.

D. COMPANY agrees to comply with all provisions contained in the Trenton-Mercer Airports Noise Abatement Program, Airport Certification Manual, Emergency Plan, Airport Security Program, and any and all Airport rules and Regulations, which may be amended from time to time. Reports of any and all deviations from these provisions must be made immediately known to the Airport Manager, or his/her designee verbally and in writing if requested.

E. COMPANY agrees and understands that it is solely responsible for compliance with all Federal, State and Local Environmental Protection Agency and New Jersey Department of Environmental Protection rules and regulations, spill containment and disposal, and to acquire and maintain all applicable permits.

SECTION 18: CANCELLATION BY COMPANY

A. COMPANY may cancel this Agreement at any time COMPANY is not in default in its payments to AIRPORT hereunder, by giving AIRPORT at least one hundred eighty (180) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

1. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof for such injunction for a period of at least ninety (90) days.

2. The inability of COMPANY to use, for a period in excess of ninety (90) days, the Airport or any of the premises, facility, rights, licenses, services or privileges leased to COMPANY hereunder, because of fire, explosion, earthquake, other casualty, or acts of God or the public enemy, provided that same is not caused by negligence or willful acts or failure to act on part of COMPANY.

3. The lawful assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as substantially to restrict COMPANY, for a period of at least ninety (90) days, from operating thereof for the conducting of an air transportation business.

4. The suspension, termination or revocation on any agreement/license granted by any local, state or federal agency governing the right to operate into and from the Airport.

5. COMPANY elects to cease service from Trenton-Mercer Airport. If COMPANY elects to cease service from Trenton-Mercer Airport without giving the required notice, COMPANY shall be responsible for all fixed and variable payments for the period of one hundred eighty (180) days from the cessation of service or from the date of proper notice, whichever is shorter.

6. COMPANY agrees and understands that AIRPORT may also terminate this Agreement with at least one hundred eighty (180) days written notification to COMPANY.

SECTION 19: SALE, ASSIGNMENTS, AND SUBLEASE

A. COMPANY shall not sell, convey, assign, transfer, or pledge this Agreement or any part hereof or interest herein directly or indirectly, voluntarily or involuntarily, without applying in writing to AIRPORT and receiving the written consent of AIRPORT.

B. AIRPORT reserves the right prior to any assignment of this Agreement or any interest herein, or prior to possession by any Mortgagee or Lessor of Improvement of COMPANY through

default by COMPANY, to approve any proposed Assignee, Mortgagee or Lessor of Improvements of COMPANY through default by COMPANY, (collectively referred to in this paragraph as assignee), which approval shall not be unreasonably withheld. AIRPORT shall consider, in approving such proposed assignee, the ability of such proposed assignee to perform the duties required of COMPANY as set out in this Agreement, the financial ability and capacity of such proposed assignee to meet the obligations required by this Agreement and the general reputation of the proposed assignee in the area in which the proposed assignee has done business in the past. No assignment of any kind or nature shall be valid until the same has the prior written approval of AIRPORT, and when such approval is granted by AIRPORT, then, and only then COMPANY be released from the obligations required by this Lease Agreement.

C. Notwithstanding the foregoing, COMPANY shall have the right to assign all or any part of its rights and interest under this Agreement to any affiliated company, or any successor to its business through merger, consolidated, voluntary sale or transfer or substantially all of its assets and the consent of AIRPORT thereto shall not be required, but due notice of any such assignment shall be given to AIRPORT within thirty (30) days after such assignment hereunder.

SECTION 20: INDEMNITY AND LIABILITY INSURANCE

A. COMPANY covenants and agrees to indemnify, defend and save harmless AIRPORT and COUNTY OF MERCER, its agents, officers and employees, and their successors and assigns, from and against all liability for any fines, claims, suits, demands, actions or causes of action of any kind and nature arising out of any violation of any Federal, State, County or local law, rule or regulation, or for bodily injury, including sickness, disease, or death, personal injury or property damage in any way arising out of or resulting from any act or omission of COMPANY, its agents, contractors or employees on the leased premises or in connection with the use of the leased premises, whether or not such claims, demands, suits or proceedings are just, unjust, groundless, false or fraudulent, and that COMPANY shall give to AIRPORT and COUNTY OF MERCER prompt and timely notice of any claim made or suit instituted which, in any way, directly or indirectly, contingently or otherwise, effects or might effect AIRPORT or COUNTY.

B. AIRPORT agrees, with respect to the Leased Premises and all aircraft involved in connection with the Leased Premises, that insurance with insurers licensed to do business in the State of New Jersey shall be maintained in effect at its own expense during the term of this Agreement in a form acceptable to AIRPORT. Such insurance policies shall name AIRPORT and COUNTY OF MERCER as additional insureds and shall provide the following coverage:

1. Such primary public liability or Broad Form Comprehensive Airline and Airport Liability Insurance (to include but not be limited to Aircraft Liability Insurance including bodily injury, property damage, passenger liability, airport premises liability, mobile equipment liability, and contractual liability insurance), premises and operations, on an occurrence form, in the minimum amount of fifty million (\$50,000,000.00) dollars each occurrence for bodily injury and property damage, and personal and advertising injury liability and such insurance shall protect AIRPORT against any and all penalties, costs, including attorney's fees, claims, demands and causes of action due directly or indirectly from any activity or operation of COMPANY on the Leased Premises or in connection with its use of the Leased Premises. Such liability coverage

shall include, in addition to the aforementioned, coverage for sudden and accidental occurrences, which may cause environmental damage, including the costs for the cleanup and mitigation of such damage.

2. Automobile liability (owned, non-owned and hired autos) on a claims made occurrence form, in the minimum amount of five million (\$5,000,000.00) dollars for each occurrence for bodily injury and property damage, and such insurance shall protect AIRPORT against any and all penalties, costs, including attorney's fees, claims, demands and causes of action due directly or indirectly from any activity or the provisions of statutes respecting suits against AIRPORT.

3. COMPANY shall provide fire and extended coverage legal liability for the real and personal property of AIRPORT in the amount of one million five hundred thousand (\$1,500,000.00) dollars because of direct physical loss of or damage to the premises due to the negligence of COMPANY. COMPANY shall provide satisfactory evidence of fire and extended coverage to AIRPORT in a minimum amount equal to 80% of the total insurance value of the COMPANY'S improvements and personal property on the leased premises.

4. Certificate(s) of insurance, naming AIRPORT and the County of Mercer as additional insured, evidencing the existence of the above coverage in a form acceptable to AIRPORT shall be delivered to AIRPORT within ten (10) days after execution of this Agreement, or in the event the agreement is not executed, at least twenty (20) days prior to beginning air carrier service at the airport. Each such certificate shall contain or have attached a valid provision or endorsement that the policy may not be canceled, terminated, or materially changed or modified without giving thirty (30) days written advance notice thereof to AIRPORT. Each such certificate shall contain or have attached an additional endorsement providing that the insured's carrier shall not, without obtaining express advance permission from AIRPORT, raise any defense involving in any way the immunity of AIRPORT or the County of Mercer, its officers, agents or employees, the governmental nature of AIRPORT or the provisions of statutes respecting suits against AIRPORT.

5. COMPANY agrees to carry worker's compensation coverage as required by New Jersey Statutes.

6. COMPANY shall not conduct any business or operation at the Airport during any period when such insurance is not in force.

C. However, nothing contained in this Section shall be construed as a release or indemnity by COMPANY of AIRPORT from or against any loss, liability or claim to the extent arising from the gross negligence or willful misconduct of AIRPORT, its employees, contractors, agents or invitees.

SECTION 21: SURRENDER OF POSSESSION

A. Upon the expiration or other termination of this Agreement or any renewal thereof, COMPANY'S right to use the premises, facilities, services and privileges herein leased shall cease and COMPANY shall, forthwith upon such expiration or termination, surrender the same.

SECTION 22: DEFINITION OF TERMS

A. Whenever the term Federal Aviation Administration is used in this Agreement it shall be construed as referring to the Federal Aviation Administration created by the Federal Government under the Federal Aviation Act of 1958, or to such other Federal Government authority as may be the successor thereof or to be vested with the same or similar authority.

B. Whenever the terms "person" and "persons" are used in the Agreement, they shall be construed as including individuals, firms, corporations and other legal entities.

C. When in this Agreement written approval by AIRPORT is required, such written approval may be given by the Airport Manager.

SECTION 23: INSPECTION BY AIRPORT

A. AIRPORT may enter upon the premises now or hereafter leased exclusively to COMPANY hereunder at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations hereunder, or in the exercise of its governmental functions.

SECTION 24: WAIVER OF PERFORMANCE

A. Failure of AIRPORT to insist in any one or more instances upon a strict performance by COMPANY of any of the provisions, terms covenants, reservations, conditions or stipulations herein shall not be deemed to have been made, in any instance, unless specifically expressed in writing by AIRPORT as an amendment to this Agreement.

SECTION 25: NOTICES TO THE AIRPORT AND THE COMPANY

A. Any request, demand, authorization, direction, notice, consent or waiver provided or permitted to be made upon, given by, or furnished to, the AIRPORT or COMPANY shall be deemed duly given or made: (a) upon delivery, if such notice is personally delivered or by courier service, (b) on the fifth day after sent, if sent by prepaid mail, or (c) on the date sent when sent by facsimile that is confirmed the same day, to the other party addressed as follows:

TO AIRPORT: Airport Manager, Trenton-Mercer Airport

1100 Terminal Circle Drive, Suite 301

West Trenton, New Jersey 08628

TO COMPANY: Comair, Inc.

77 Comair Boulevard

Erlanger, Kentucky 41018

ATTN: Director of Supply Chain

SECTION 26: CAPTIONS

A. Any headings preceding the text of the several Sections hereof are inserted solely for the convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effects.

SECTION 27: INVALID/OMITTED PROVISIONS

A. In the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provisions herein contained; provided that the invalidity of such covenant, condition or provision does not materially prejudice either AIRPORT or COMPANY in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

B. COMPANY and AIRPORT understand and agree that in the event that items have been omitted from this Agreement, they will be discussed with the AIRPORT who will make a final determination of the proper course of action/or applicable resolution of the disputed or omitted item. COMPANY agrees to abide by the final decision made by AIRPORT under the direction of the Airport Manager or his/her designee.

SECTION 28: GOVERNMENTAL FACILITIES

A. It is expressly agreed that if funds for the provision, maintenance and operation of the Control Tower and/or other air navigation aids or other facilities required or permitted by the United States which are now, or may be hereafter furnished by the United States, are discontinued by the United States, AIRPORT shall not be required to furnish said facilities.

SECTION 29: SUCCESSORS AND ASSIGNS BOUND BY COVENANTS

A. All the covenants, stipulations and agreements in this Agreement shall extend to and bind the lawful representatives, successors and assigns of the respective parties hereto.

SECTION 30: NON-DISCRIMINATION CLAUSE

A. COMPANY in exercising any of the rights or privileges herein granted shall not on the grounds of race, color or national origin discriminate or permit discrimination against any person or groups of persons in any manner prohibited by Part 15 of the Federal Aviation Administration Regulations, and AIRPORT is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct to enforce this non-discrimination covenant.

SECTION 31: CONSTRUCTION OF AGREEMENT

A. This Agreement is made in and shall be construed in accordance with the Laws of the State of New Jersey. All duties, obligations and liabilities of AIRPORT and COMPANY with respect to the leased premises are expressly set forth herein and this Agreement can only be amended in writing and agreed to by both parties.

SECTION 32: NONINTERFERENCE

A. AIRPORT may at any time during the effective period of this Agreement enter into contracts with any passenger or freight-carrying airlines for the use of the Airport or with fixed base operators, and nothing herein contained shall be construed to preclude AIRPORT from so doing, and COMPANY agrees to not in any way interfere with the use of the said Airport by any airlines or fixed base operators at the Airport.

SECTION 33: LITIGATION EXPENSES

A. In the event either party is required to enforce any of the terms of this Agreement against the other party, the defaulting party shall pay all costs and expenses applicable thereto, including reasonable attorneys' fees, whether initial court, appellate court, or any other proceeding.

SECTION 34: INTERPRETATION

A. Nothing in this Agreement shall be construed or interpreted in any manner whatsoever as limiting, relinquishing, or waiving of any rights of ownership enjoyed by AIRPORT in the Airport property, or in any manner waiving or limiting its control over the operation, maintenance, etc., of Airport property or in derogation of such governmental rights as AIRPORT possesses, except as specifically provided herein.

SECTION 35: PLACE OF PAYMENTS

A. All payments required by COMPANY under this Agreement shall be made at the office of the Airport Manager, Trenton-Mercer Airport, 1100 Terminal Circle Drive, Suite 301, West Trenton, New Jersey 08628.

SECTION 36: RIGHT TO AMEND

A. In the event that the Federal Aviation Administration or its successors requires modifications or change in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, COMPANY agrees to consent to such amendments, modifications, or requirements of this Agreement as may be reasonably required to obtain such funds; provided, however, that in no event will COMPANY be required, pursuant to this Section to agree to an increase in the rent provided for hereunder; or to agree to a reduction in size of the leased premises or to a change in the use to which COMPANY has put the leased premises (provided it is an authorized use hereunder) without an adjustment in rent.

B. AIRPORT and COMPANY agree that this Airline Operating Agreement and Lease may be completely renegotiated within one hundred eighty (180) days of the anticipated operation of a new terminal facility. COMPANY understands that it may either enter into this new lease agreement with the AIRPORT or it may pay in accordance with the non-signatory rates and charges schedule, which may reflect a premium rate. AIRPORT's Rates and Charges policy will also be re-evaluated and amended at that time.

SECTION 37: PROVISIONS OF LAW DEEMED INCLUDED

A. Each and every provision of State and Federal law required to be included in municipal agreements shall be deemed to be included herein, and this Agreement shall be read, construed and enforced as though the same were included herein. If, through mistake, inadvertence or otherwise, any such provisions or cause is not included herein or is incorrectly included herein, then, upon application of any party hereto, this Agreement shall forthwith be amended to include the same or to correct the inclusion of the same.

SECTION 38: EXECUTION OF COUNTERPARTS

A. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 39: COMPLETE AGREEMENT

A. This Agreement represents the entire agreement between the parties hereto and supersedes all other agreements between the parties hereto, whether oral or written.

SECTION 40: FAA AERONAUTICAL LEASE REQUIREMENTS

A. This Agreement, and all provisions hereof, shall be subordinate to all the covenants and restrictions of the deed under which AIRPORT acquired the property known as Trenton-Mercer Airport for the United States of America, insofar as such covenants and restrictions remain in effect from time to time after the date hereof. Any such covenants and restrictions may hereafter become ineffective or as shall have been or may hereafter be extinguished or released, whether by statute rule or regulations, interpretation, judicial decision, or deed or other instrument, including but not limited to the release of the "National Emergency Use" provisions by the deed of release.

B. This Agreement shall be subordinate to the provisions of any existing or future agreement entered into between AIRPORT and the United States of America for the improvement or operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

C. This Agreement and all the provisions hereof shall be subject to whatever right the government of the United States of America now or in the future may have or acquire, affecting the control, operation, regulation and reacquisition of said Airport or the exclusive or nonexclusive use of the Airport by the United States of America during the time of war or national emergency.

D. Notwithstanding anything herein contained that may be or appear to the contrary, it is expressly understood and agreed that the rights granted under this Agreement are non-exclusive and AIRPORT herein reserves the right to grant similar privilege to another operator or other operators on other parts of the Airport.

E. COMPANY, for itself, its personal representatives, successors in interest, and assigns, as a

part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities;

2. That in the construction of any improvements, on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. That COMPANY shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, entitled "Nondiscrimination in Federally Assisted Programs of the Department of Transportation" - Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.

4. In the event of a breach of any of the above nondiscrimination covenants, AIRPORT shall have the right to terminate the lease and to re-enter and repossess the leased land and facilities thereon, and hold the same as if the lease had never been made or issued. This provision shall be subject to the procedures of Title 49, Code of Federal Regulations Part 21, including exercise or expiration of appeal rights.

F. AIRPORT reserves the right unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of leased land, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the airspace for landing on, taking off from or operating on or around the Airport.

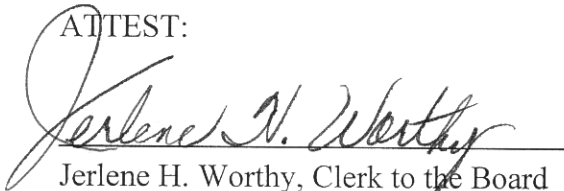
G. That COMPANY expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with all Federal Regulations, including, but not limited to FAR Part 77 and related documents.

H. COMPANY expressly agrees for itself, its successors, and assigns, to prevent any use of the premises, which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an airport hazard.

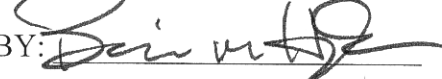
I. COMPANY expressly covenants and agrees to observe and obey all reasonable and lawful rules and regulations which may, from time to time, during the term hereof, be adopted and promulgated by AIRPORT for operation at the airport. COMPANY shall conduct and operate its activities in accordance with any and all applicable Federal, State, County and local laws, ordinances, regulations, directives, orders, and judicial decisions.

IN WITNESS WHEREOF, the parties have hereto set their hand and affixed their seals on this,
the date and year first written above.

ATTEST:



Jerlene H. Worthy, Clerk to the Board
of Chosen Freeholders

COUNTY: MERCER COUNTY

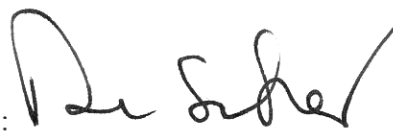
BY: 
Brian M. Hughes, County Executive

COMPANY: COMAIR, INC.

ATTEST:



BY:


Deanna Seither, Director, Supply Chain

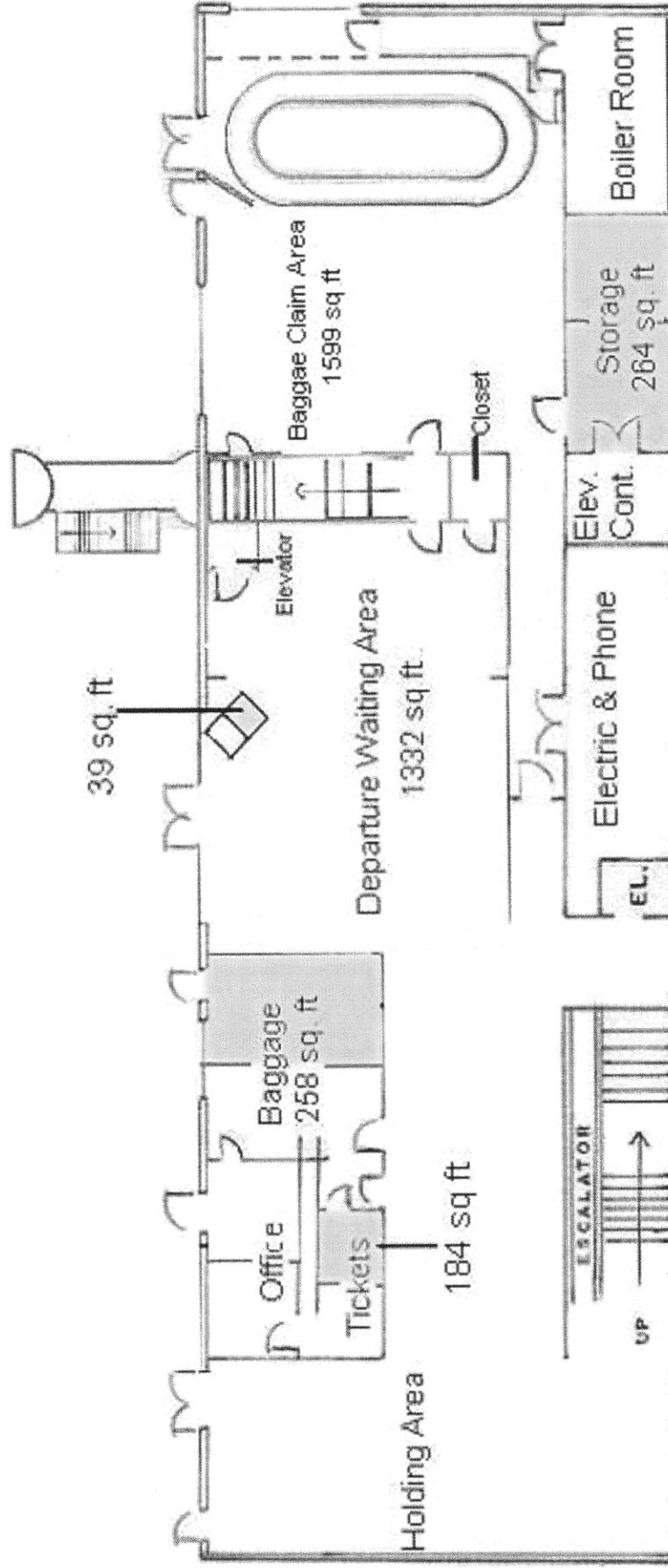
(SEAL)

AIRPORT TERMINAL BUILDING

LOWER LEVEL
 COMAIR, INC.

Exclusive Use Area (green)
 Non-Exclusive Use Area (yellow)

Note: Not to scale



COUNTY OF MERCER, NEW JERSEY

ORDINANCE NO. 98— 11

 1st Reading October 22, 1998

 2nd Reading November 12, 1998

Public Hearing

Date Adopted:

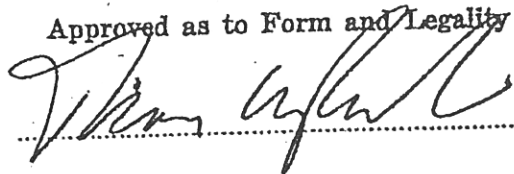
November 12, 1998

 Date to County Executive November 13, 1998

 Date Returned November 13, 1998

Date Resubmitted to Board

Approved as to Form and Legality



ORDINANCE AMENDING ORDINANCE NO.
93-21, ADOPTED SEPTEMBER 11, 1993
AUTHORIZING THE ESTABLISHMENT AND
IMPOSITION OF CERTAIN FEES AND
CHARGES FOR THE USE OF THE
FACILITIES AND THE PROVISION OF
SERVICES AT THE TRENTON MERCER
AIRPORT

RECEIVED

NOV 20 1998

WHEREAS, the County of Mercer owns and operates the Trenton-Mercer
Airport, located in the Township of Ewing, County of Mercer and State of New Jersey;
and,

RECORD OF VOTE

First Reading							Second Reading						
FREEHOLDER	Aye	Nay	N.V.	Abs.	Res.	Sec.	FREEHOLDER	Aye	Nay	N.V.	Abs.	Res.	Sec.
Carabelli	X						Carabelli	X					✓
Hamilton	X				✓		Hamilton	X					✓
Hughes	X						Hughes	X					
Mack	X						Mack	X				✓	
McManimon	X					✓	McManimon	X					
Walter	X						Waldum.	X					
Cannon	X						Cannon	X					

X—Indicates Vote

Ord.—Ordinance Moved

Abs.—Absent

Sec.—Ordinance Seconded

N.V.—Not Voting

 Rejected ☐

 Approved ☒

Reconsidered

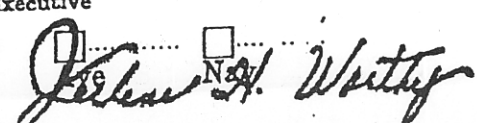
By Board

 By 

County Executive

 Override ☐

Vote



TRENTON-MERCER AIRPORT
RATES AND CHARGES
ORDINANCE NO. 98-11

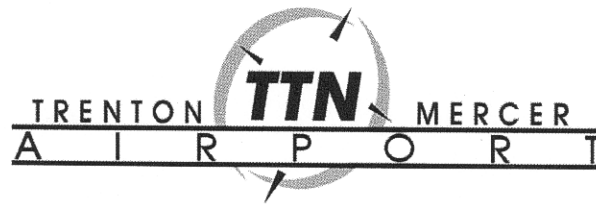
<u>AIRFIELD FEES</u>	<u>Signatory Annual Lease</u>	<u>Non Signatory Monthly Lease</u>	<u>Unscheduled No Lease</u>
General Aviation Landing Fees			
Piston Engine (Includes Helicopter)(Less than 12,500 lbs.)	N/A	\$5.00	\$5.00
Turbine Engine (Includes Helicopter)(less than 12,550 lbs.)	N/A	\$15.00	\$15.00
Group I (12,500 lbs. to 20,000 lbs.)	N/A	\$20.00	\$20.00
Group II (20,001 lbs. to 30,000 lbs.)	N/A	\$25.00	\$25.00
Group III (30,001 lbs. to 60,000 lbs.)	N/A	\$50.00	\$50.00
Group IV (60,001 lbs. to 100,000 lbs.)	N/A	\$80.00	\$80.00
Group V (100,001 lbs. and Over)	N/A	\$120.00	\$120.00
Air Carrier Landing Fee (Per 1,000 lbs. Gross Landed Weight)			
Air Carrier	\$0.75	\$1.00	G.A. Rates (above)
Fuel Flowage Fees (Per Gallon Delivered to Airport)(Applies to New Leases)			
Fixed Base Operator	\$0.02	N/A	N/A
GA Self fueling (effective Nov. 13, 1998)	\$0.06	N/A	N/A
Airline	\$0.00	\$0.01	\$0.02
<u>TERMINAL FEES</u>	<u>Signatory Annual Lease</u>	<u>Non Signatory Monthly Lease</u>	<u>Unscheduled No Lease</u>
Aircraft Parking (terminal apron)(overnight or over 4 hours)	\$25.00	\$31.25	\$50.00
Automobile Parking - Employee (per slot/per month)	\$15.00	\$25.00	\$35.00
Baggage Carousel (per use)	\$5.00	\$6.25	\$15.00
Baggage Claim (per deplaned passenger)	\$0.35	\$0.44	Included in Terminal Access Fee
Ground Support Equipment (per piece/per use)	N/A	N/A	\$25.00
Hold room (per enplaned passenger)	\$0.33	\$0.41	Included in Terminal Access Fee
Office Space Rental (per sq. ft.)	\$15.00	\$18.75	N/A
Operations Space/Bag Make-up (per sq. ft.)	\$27.00	\$33.75	N/A
Passenger Facility Charge (per enplaned passenger)	\$4.50	\$4.50	\$4.50
Passenger Loading Bridge Use Charge (per turn)	\$15.00	\$18.75	\$50.00
Public Address System (per month)	\$50.00	\$62.50	N/A
Screening Equipment (each departure)	N/A	N/A	\$50.00
SIDA Badging (per badge)	\$30.00	\$30.00	\$30.00
Temporary Office Space (per annum) (Ramp Level)(Airline Supplied) (No Set-up/No Utilities)(Office Rental Rate x.65)	\$9.75	\$12.19	N/A
Terminal Access Charge (per use) (\$200.00 Min., over 4 hrs. an additional \$50.00/hr.)	N/A	N/A	\$2.00 (per max. aircraft seats)

Terminal Access Charge After Hours (10:00 pm - 7:00 am)(per use) (\$300.00 Min., over 4 hrs. an additional \$75.00/hr.)	N/A	N/A	\$2.50 (per max. aircraft seats)
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Ticket Counter (per sq. ft.)	\$27.00	\$33.25	N/A
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myfiles\resolution\rates & charges ordinance Nov 13 1998.dck

update 7/25/06 MTH



A SPECIAL AGREEMENT TO UTILIZE SPECIFIC AIRCRAFT

Comair, Incorporated

And

Trenton-Mercer Airport/County of Mercer

This Special Agreement made and entered into on the 17th day of August, 2006, shall run concurrently with the Airline Operating Agreement/Lease Agreement by and between the Trenton-Mercer Airport/County of Mercer, hereinafter called the "**AIRPORT**", a body politic and corporate of the State of New Jersey, with its office and principal place of business located at 640 South Broad Street, Trenton, New Jersey, and **Comair, Inc.**, a corporation organized and existing under the laws of the State of Ohio, with a principal place of business located, 77 Comair Boulevard, Erlanger, KY 41018, hereinafter referred to as the "**COMPANY**".

The COMPANY and AIRPORT do hereby agree to the following:

1. Except when occasionally required by operational necessity, COMPANY agrees to only utilize Bombardier CRJ-100, CRJ-200, and CRJ-700 aircraft at Trenton-Mercer Airport (TTN).
2. It is mutually agreed by both COMPANY and AIRPORT that should COMPANY wish to operate any aircraft on a regularly scheduled basis other than the Bombardier CRJ-100, CRJ-200, and CRJ-700 aircraft, COMPANY shall make request for such modification to AIRPORT, in writing, and receive written approval of such modification before initiating service of any other aircraft, which approval shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, the parties have hereto set their hand and affixed their seals on this, the date and year first written above.

COUNTY: MERCER COUNTY

ATTEST:

BY: Brian M. Hughes

Brian M. Hughes, County Executive

ATTEST:

Jerlene H. Worthy
Jerlene H. Worthy, Clerk to the Board
of Chosen Freeholders

COMPANY: COMAIR, INC.

ATTEST: Kimberly A. Howell

BY: Deanna Seither

Deanna Seither,
Director of Supply Chain

(SEAL)